NIGERIA AND ECOWAS TRADE LIBERALIZATION SCHEME: THE STATE OF ECONOMIC INTEGRATION IN WEST AFRICA

SAMAILA ABUBAKAR
Usmanu Danfodiyo University, Sokoto

Abstract

This paper seeks to critically review some of the efforts of Nigeria in the establishment and development of ECOWAS, (especially the ECOWAS Trade Liberalization Scheme) and the salient reasons why the so much anticipated economic integration under ECOWAS has not been properly consolidated in the sub-region. The paper argues that although Nigeria has played a central role in promoting the ETLS scheme, it has not succeeded in consolidating the gains of the scheme due to a number of challenges facing the sub-region. The paper identifies improper implementation of the scheme; inability to tackle poverty in the subregion; the renewed French interest in the region; a non-diversified economy of member countries; contradictory policies between the Francophone Union Economique et Monetaire Ouest Africaine Zone and the Anglophone west African monetary zone; and above all the problem of poor leadership image of Nigeria, to be responsible for the poor performance of the ECOWAS Trade Liberalization Scheme. The paper therefore recommends that the future of ECOWAS lies with the ability of Nigeria and other member countries to meaningfully and significantly address the enormous challenges facing the subregion.

Keywords:Nigeria, trade liberalization, cross-border, economic integration, West Africa

INTRODUCTION

TOWARDS THE END OF THE 1960 the newly independent West African nations were preoccupied with the problem of redressing the harsh economic realities of their new states. In addition, the fragile nature of the economies of West African States became more manifest especially in their balance of payment deficits.1 This was worsened by the non-conventibility

of their national currencies in their local and international trade. Worse, the value of their export commodities was constantly affected by incessant price fluctuations in the international market. Consequently, the following decade of the 1970s witnessed devastating socio-political and economic decline in West Africa, leading to severe drop in the provision of social services and dehumanizing decline in average living conditions of the people, in contrast to the positive improvements attained in the 1960s.[2] As a result of this decline, the West African sub-region was gradually plunged into a 'lost era' bedeviled by decades of civil wars and social unrests that greatly devastated the already weak economies of these states.[3] Indeed, economic decline seem to be the major catalyst for socio-economic and political turmoil enmeshed in increased poverty, economic food shortages, expanded indebtedness, worsening balance of payments and internecine wars. The consequence is that the lofty aspirations and dreams of these states of improving the welfare of their citizens after independence could not materialize.

Thus, as the West African states searched for new strategies for the attainment of sustainable development, they had increasingly looked up at regional integration as a strategy for achieving development in the sub-region. A regional body was set up as supra-national association of states whose role is ideally on the reinvigoration and redirection of the process of development in the sub-region as articulated in the preamble of chapter 2, Article 2 of ECOWAS Revised Treaty.

Efforts at regional integration in Africa go back to the immediate post colonial period. It was seen as an extension of the liberation movements and an effort to construct geographic entity that was economically viable and politically united.4 The promise that integration holds, in the form of the enlargement of local markets, the realization of economies of scale and the strengthening of bargaining positions in global negotiations, is a sufficient allure to make the countries of Africa and West Africa in particular, try time and again to forge these regional trade agreements.[5] Prior to the formation of ECOWAS in 1975, there are some

indications of integration in West Africa. Notable among such attempts were the existence of west African currency board, the west African Airways, etc. some of these groupings even though did not really succeed, set the base upon which ECOWAS emerged as a major integrating force in 1975.[6]

The formation of ECOWAS, therefore, was a deliberate effort aimed at bringing Anglophone and Francophone West African countries together for the purpose of mutual cooperation and the acceleration of growth and development through mutual interdependency and increased integration.[7] The position of West African countries in terms of co-operation and integration had been further strengthened by the ratification of the constitutive act of African union (AU) in the year 2001. In its article 3c, AU, envisages as part of its objectives, the acceleration of political and socio-economic integration of the continent. Further in article 3j, it seeks to promote sustainable development at the economic, social and cultural levels as well as the integration of African economies.[8] In effect, this throws new challenges for effective border administration in the context of integration as envisaged by AU and indeed the provision of ECOWAS treaty.

In the same vein, the Nigeria's position in the economic development of West African sub region could be understood within the context of its strategic position in the sub region. The sustained development of the Nigerian economy and future prosperity of the country depend on the healthy performance of the other economies of the region. With 52.48 per cent of the population of the sub region and ample material endowments at its disposal, Nigeria is an indispensable element in the sub-regional equation.[9] In respect to this, the ECOWAS report of 2008 observed that;

A careful examination of the economies and population of the ECOWAS member states shows that ECOWAS is a good model of regional economic integration in which the strong and weak coexist to foster

socio-economic development on a large scale. Nigeria is the dominant economy in the region accounting for 62% of the regional GDP in 2007. Given the size of the Nigerian economy in relation to its neighbors, it is expected that Nigeria will continue to play its leadership role within the framework of solidarity.[10]

However, despite the dominant economic role of the country in the region's trade, the impaired nature of region's economic situation characterized by crises and uncertainties gives room for smuggling. In such situations, it is not easy for serious integration to be achieved. This is in spite of not only Nigeria's economic strength but even her organizational and managerial abilities. In view of this therefore, the role of Nigeria is vital because of the buoyancy of its economy, its size and leadership role in the Sub region.11 As one of the most effective regional organizations in Africa, ECOWAS was established with the major objective of promoting cooperation and development. Nigeria has played pivotal role in the formation of ECOWAS. It was equally very active not only in the conception of the idea but also in her subsequent revitalization. Further, Nigeria, due to her population and resources, became very crucial in the drive for integration in West African sub-region. In fact, it had been assumed that there will be no ECOWAS without Nigeria's active and positive participation.12 It is based on this assumption that Nigeria provides a platform upon which cross-border trade expanded in the sub-region through its role in the establishment of ECOWAS Trade Liberalization Scheme in the 1990. However, in spite of Nigeria's tremendous role in the liberalization of the trade in the region, there are number of lingering political and economic challenges that continue to hinder the realization of economic integration objectives. Although the scheme assures member states of numerous benefits, though the realization of the scheme is poor. This paper, examines the role of Nigeria in the establishment and subsequent ratification of ECOWAS Trade Liberalization Scheme and the journey so far vis-à-vis achieving a regional economic integration agenda through creation of Free Trade Area in the West African sub-region.

CONCEPTUAL FRAMEWORK

The concept of regional integration has attracted attention from various scholars from different disciplines. Although it had been a concept of scholarly discourse since 1940s it gained currency in Africa after the collapse of East European socialism in the early 1990s.13 Integration means an economic cooperation based on liberalization in the movement of goods, service and labor within states of integrating region and selective restrictions to the rest of the world especially in goods and services whose importation would either compete with or retard the development of those within the region.[14] Such economic cooperation must be based on good governance through free and fair elections, operating on transparency and accountability as well as observing the rule of law.[15] Regional integration therefore, supposed to lead to increased revenue, increased production and productivity which altogether are supposed to usher in economic development.

Specialist on regional integration identified five major stages which countries will follow to achieve integration.16 There is the free trade area in which the participatory countries abolish tariffs among themselves but each member retains its own tariffs against non-members states. In a custom union, two or more countries abolish tariffs between one another but impose common external tariff against the rest of the world. The third is common market economic union which has all the features of a custom union, the only difference being that the common market also allows free movement of factors. The fourth is the economic union which goes further by providing the harmonization of domestic policies of member states. Finally, there is total economic integration which is a situation whereby the integrating member states not only operate a unified economic policy but have in existence a supranational authority whose decisions are binding on union members.[17]

Regional integration is seen as one of the most viable developmental alternatives that could save Africa from continual global marginalization.[18] It is an opportunity that would enable member-states to harness their limited resources for development purpose, a development that would give them a stronger bargaining position with non member states, more especially the developed world.[19] In fact, as a strategy of socio-political and economic development, economic integration is now recognized by most countries. The desire to achieve increase in living standard of the people through economic cooperation has given rise to many forms and stages of economic cooperation as indicated above.20 It is because of the need to increase intra-regional trade through cooperation that certain development policy decisions were adopted by the ECOWAS authority, introduction of trade liberalization scheme is one of them. The launching of the Trade liberalization scheme in 1990 is aimed at removing all tariff barriers to the development of intra community trade.[21] Nigeria was at the fore front in the establishment and continued survival of the ECOWAS through its leadership role in the region as examine below.

NIGERIA'S ROLE IN THE ESTABLISHMENT AND DEVELOPMENT OF ECOWAS

Nigeria is recognized to be a very crucial player in the integration in West African sub-region due to her population and resources. In recognition to this, Nigeria has not only played a very active role in the formation of ECOWAS but also made a lot of commitment for the continued survival of the organization. As a critical member of ECOWAS, Nigeria was expected to play a leading role in executing the organization's protocols that would fast track the integration of the sub-region. Against this however, Nigeria's efforts appear to be hampered by certain problems which have both internal and external dimensions. The major of these problems include the state centric view of the member states as well as their lackadaisical attitude towards implementation of various protocols on integration.[22] Added to this is the negative role of the former governments

who bend on persistently maintaining their ties with the former colonies. In spite of all these problems the region continues to demonstrate resilient features that called for integration. This is in view of the fact that, some vital needs of the citizens of the countries of the region requires cross-border movement of people, goods and services which has to be satisfied if not formally then informally despite all the enforcements of the states. Meagher, for instance, has shown the significance of historical and economic factors in the development of cross-border trade in West Africa, with Nigeria operating as an epicenter of a significant proportion of cross-border flows within the region.[23]

The issue of informal or parallel trade in West Africa had for long attracted the attention of scholars from various perspectives.[24] The major conclusion of most of these works is that, the predominance of informal trade in West Africa has to do with the inability of the ECOWAS countries to effectively harmonize their economic policies towards regional integration. It was initially assumed by many studies that once 'ECOWAS without borders' was established, concrete base for integration in West Africa could have been laid. And, once this is achieved, informal trade would be integrated into economies of member states thereby cutting down tremendously under trading or smuggling in which Nigeria seems to be a major victim in the sub-region. There is however, very little to show that the state of integration in West Africa has been improved over the years. Since Nigeria will be the major beneficiary or looser of integration based on her strategic position, it became necessary that she should be engaged in the development of ECOWAS. Nigeria therefore, continued its leadership role by concluding trade agreements with seven neighboring countries in the sub-region. It continued to work with Togo to achieve a vibrant Economic Community cutting across linguistic and other cultural barriers. In April 1992, the Heads of State of Nigeria and Togo decided to revive the process of enhancing economic co-operation. Subsequently, a proposal was prepared pertaining the scope of a possible West African Community. It portrayed the taxonomies of the characteristics of the intended common market and made explicit, a pragmatic approach to economic integration.

Nigeria's position in ECOWAS vis-à-vis economic development of West African sub region could be understood within the context of its strategic and economic position in the sub region. With 52.48 per cent of the population of the sub region and ample material endowments at its disposal, is an indispensable element in the sub-regional equation.[25] Being the country with economic and demographic advantage in the sub-region, Nigeria is the engine of the economy for its four immediate land neighbors, namely; Benin, Niger, Chad and Cameroon. The economic and demographic advantage of Nigeria made it a major market in the West African region. In fact, the country is the dominant economic power in the region accounting for 62% per cent of the regional Growth Domestic Products in 2007 due to this natural advantage, Nigeria continues to demonstrate its willingness in the development of ECOWAS.[26] Nigeria built the ECOWAS headquarters and donated it to the body. In fact, Nigeria's efforts at the emergence and sustenance of ECOWAS has been more spectacular and without a rival. The country also played a major role in the implementation of various protocols of the community. The country further strives very hard to sustain the foundation of the ECOWAS despite occasional border closure from 24 April 1984 to 28 February 1986. In fact Nigeria has shown enthusiasm towards regional integration in West Africa by consistently lifting ban on some goods that are involved in cross-border trade for the benefits of her neighbors.[27] This is out of the realization that an attempt to disrupt informal flow of goods through unofficial channels was an incentive for the smugglers to carry on their activities since what they want more is the scarcity of the product to be smuggle. A research conducted in some border areas in Nigeria shows that more goods and people crossed the border through all the official exits than when they were opened.28 This also shows how critical the position of Nigeria is to the economic survival of the population of the states of West Africa. That also portends the danger of ignoring the interest of the neighboring countries when designing the domestic policies of Nigeria.

In fact, the whole question of integration from the point of view of cordial relations is the need to secure the security of life and property of the

people of West Africa and that should be people centered approach.[29] While Nigeria is making efforts to couple protect her national interest, she must do that to the point where she still have regional influence and must recognize the importance of these countries as a route to other parts of the world.[30] In recognition to this, ECOWAS in its treaty Article 2 of the revised treaty 1993, states that the community shall among other things ensure the abolition as between the member states of the obstacles to free movement of persons, services and capital.31 However, the realities have shown that freedom of movement remains difficult across the borders of West Africa due to countless men, extortion, brutalities and clearance delays due to countless number of security check points along the border highways, especially in Nigeria. In fact the ECOWAS Trade Liberalization Scheme which came in to effect in the 1990s has not significantly increased the level of trade among the member states.[32] Paradoxically, cross-border trade remains highly informal due to the inability of the member countries to effectively harmonize their economic policies as discussed in the section below.

ECOWAS TRADE LIBERALIZATION SCHEME (ETLS)

In the last section an attempt has been made to provide an overview of Nigeria's role in the establishment and revitalization of ECOWAS. However, such role has not been always marched with concrete implementation especially when it comes to execution of some of the community's protocols. ECOWAS protocol on the free movement of persons and goods in the West African sub-region is one of the most important protocols where Nigeria and other member countries are found to be wanting. The formation and subsequent ratification of the protocol in 1983 gave a legal backing to economic integration agenda of ECOWAS.33 Article 2 (1) of the Treaty for the formation of ECOWAS, provides thus: It shall be the aim of the Community to promote cooperation and development in all the fields of economic activity... for the purpose of ... fostering closer relations among its members and contributing to the progress and development of the African continent.[34]

In order to achieve the above purposes, Article 2(2) of the Treaty requires Member States to, by stages, ensure, inter alia, the abolition as between Member States of the obstacles to free movement of persons, goods, services and capital. The removal of obstacles to free movement was meant to provide the foundation upon which a borderless region was to be achieved. The ECOWAS Community envisioned the transformation of the Union into one "massive borderless region, an ECOWAS of peoples, not countries. The fundamental principle underlying the provision of the protocol of ECOWAS on the free movement of persons, goods, and services across the national boundaries is to provide opportunity for increasing mutual interdependence and economic integration among member states.[35]

Nigeria therefore provides a platform upon which cross-border trade expanded in the sub-region and in such a way that it benefits the smaller and economically weaker states like Niger and Benin republics. In fact the Nigerian government has made reasonable arrangement to accommodate ECOWAS Trade Liberalization Scheme. For instance, in 1990, further agreement was reached and industrial products were approved to be part of the scheme. The industrial products that were accepted in the agreement were defined in the ECOWAS protocol A/P1/1/03 of 31st January 2003. Benin and Niger among others have benefited from the implementation of ETLS by Nigeria. The establishment of ECOWAS Trade Liberalization Scheme therefore was a deliberate attempt to eliminate customs duties and levies of equivalent effect, removal of non tariff barriers, and establishment of a Common External Tariff (CET) to protect goods produced in member states. The Trade Liberalization scheme is therefore meant to provide impetus to the process of economic integration and development in the West African region. It is also to provide easier access to markets in other ECOWAS countries and thereby encourage local manufacturing outfits to compete favorably with cheap imported products that may be dumped on the market. The scheme is to furthermore encourage entrepreneurial development because it provides preferential

treatment among member states. However, in spite of the regional backing the scheme enjoys and the numerous benefits that are to accrue member countries, its objectives to a large extent have not been achieved. The volume of trading activities generated among the member countries of ECOWAS in 2010 stagnated at 11% when compared with the total trade traffic in the region during the year.36 Furthermore, in addition to preferential treatment among the member countries, corridors have been created where goods imported from ECOWAS member countries are to be inspected at specific points before being allowed into Nigeria, although this in most cases remains theoretical. Large amount of goods including those imported from the third party countries are allowed into Nigeria without adequate inspection provided one can offer a 'good pay' to the border officials.[37]

Along the Nigeria-Benin border such corridors of inspection include, Seme, Idi Iroko and Chikanda. Goods flowing through the northern parts of the two countries are to be cleared at the Nikki-Chikanda border while those from the southern sections would flow through the Krake-Seme border.[38] In addition all ETLS goods under Benin-Nigeria arrangement are to be escorted to prescribed corridors. Verification and monitoring sub-committee is established and tasked to determine the smooth and transparent escort procedure to designated entry points. Officially, the protocol for allowing goods from member states of ECOWAS into Nigeria also includes the possibilities of Nigerian customs officials visiting factories that manufacture those items that are exported into Nigeria. The visitation team has the mandate to crosscheck the installed capacity of such factories in order to ascertain that such products are actually manufactured or produced in ECOWAS member states. These notwithstanding there are more goods that are smuggled in to Nigeria than the official channels set to meet the goal of ETLS.[39]

However, in spite of the substantial role of these institutions in the promotion of cross-border trade between these countries, there are still a number of shortcomings. The first problem relates to the implementation of

ECOWAS Trade Liberalization Scheme which has not met the expectation capacity of the flow of goods within the sub-region. Furthermore, protectionist tendencies make the implementation of a common external tariff rather difficult and arbitrary.[40] The sub-region also has low manufacturing capacity, and few industries at hand cannot maximally benefit from the raw materials being promoted by the ETLS.[41] The few countries that have a larger manufacturing sector, like Nigeria, have not articulated a clear vision of facilitating the participation of their enterprises in intercommunity trade.

Related to the problem of low manufacturing turnout in the sub-region is the problem of excessive border control.[42] The barriers erected on the trans-boundary roads are done on the pretext of security, which impede traffic and are a major cog in the wheel of the ECOWAS dream of borderless region. In spite of the fact that the ECOWAS Heads of State had reached an agreement in January 2007 that only two checkpoints should be maintained along common borders, it has not been implemented. This is exemplary of the attitude of ECOWAS States, towards the implementation of protocols. The former President of Nigeria, Olusegun Obasanjo is quoted to have decried this state of affairs at the Lome summit in December 2000.[43] He argued that the region was losing out economically and politically because of the slow speed at which the protocols were being implemented. According to him, "businessmen who thought they would benefit from integration are frustrated and sometimes find it easier to transact business outside the region.[44] Mohammed Ibn Chambas, the President of the ECOWAS Commission, has lent much credence to the above observations. He admits that free movement of goods and persons in West Africa, remains the biggest challenge to the integration process in Africa. According to him;

Whenever I speak in public, one of the first questions I get asked is the difficulty that ordinary people face when they try to move around in the region... The cross- border obstacles they face, particularly at the frontier where the processing of documents is extremely cumbersome and fraught

with harassments, intimidation and oftentimes plain extortion... On the highway, you still find a lot of unauthorized checkpoints and road blocks. All of these stand in the way of free movement of persons... (and) goods.[45]

Related to the above is the harassment meted on the people crossing the borders. According to one study, ECOWAS Trade Hub, conducted in 2010, out of twenty five road blocks mounted at the Nigeria-Benin border area within 10 kilometer radius border crossing point, only five are legal while the remaining twenty are illegal.[46] This became an issue considering the fact that those people who are supposed to maintain law at the border become fetters on the free movement of persons and goods. The report further states that, driving freely from Cotonou to Ouagadougou was impossible without harassment. Drivers sometimes spend three days at borders where customs officials hold up paper work when they refuse to pay bribes. Furthermore, at the borders and along with Mattheu Kerekou his Benin counterpart, agreed on a number of security and economic measures. Most important of their agreements are, that Benin would henceforth stop collecting duties on goods in transit to Nigeria and officials from Benin would have to escort goods on transit through its territory. However, although the two countries agreed on these crucial issues it later became impossible to implement the decision because Benin relied so much on her transit services and re-exports taxes, and thus any attempt to cut this would not go down well with her economy. In January 2011, Nigeria and the ECOWAS Commission and the European Union delegation to Nigeria, signed a contract for the construction of three, Joint Border Posts (JBP), along borders of some countries within the West African sub-region. President of the ECOWAS Commission, Ambassador James Victor Gbeho said the project, when completed would enhance trade and economic activities as well as solve problems related to other trans-border challenges.

Further, With the Common External Tariff, which came into effect in January 2007, it was thought that smuggling would be reduced drastically. All the member countries including, Nigeria, Benin and Togo

signed the protocol. However, in spite of the implementation of the protocol, at least theoretically, it appears that the smuggling, far from reducing, was even at its height. Corruption and concealments or false declaration are additional reasons why both ETLS and CET have not been successful in converting smuggling activities over the years. The intensity of corruption in the goods importation is so alarming in the Nigerian ports. Cases abound when ports officials sometimes with the connivance of customs officers colluding for accepting bribe before a certain goods are cleared. The Nigerian ports also have the highest rate of theft and filtering of cargo at the ports. The United States Agency for International Development reports that;

The low level of trade among the ECOWAS countries had been attributed to among other things, bureaucracy, corruption in customs, slow port operations, poor roads and communication infrastructure between countries, wastage and theft at ports, poor storage conditions, harassment by police and other personnel at innumerable road blocks and inter country payment difficulties.[50]

The number of problems associated with the process of clearing goods across the border is also a point of concern. In Nigeria and other West African ports forwarding costs can vary by 100% for the same product depending on the relationship between operator, the custom officials, forwarding agents and security forces.[51] The process of clearing in border areas of Nigeria is slow, time consuming and even more corrupt than in Cotonou or Lome. This not only encourages corruption and smuggling at the Nigeria's borders but also add stimulus to the importers to avoid official ports and smuggled the item through illegal routes. This also drains the country's revenue earnings from the customs. Some of the informants attest to the fact that smuggling into Nigeria will never be controlled if the government refuses to cut down the duties for the imported goods. In fact due to high custom tariff, under invoicing is rampant and porous border controls contribute to corruption in the customs.[52]

CONCLUSION: SOME CHALLENGES AND THE WAY FORWARD

Many challenges seem to militate against the development of ECOWAS and diminish the leadership role of Nigeria and threaten to undermine the very basis of economic integration in the sub-region. One of the fundamental challenges relates to the problems associated with the implementation of the ECOWAS Trade Liberalization Scheme (ETLS).[53] The expectation that the ETLS would significantly improve trade among ECOWAS members, facilitates the flow of goods within the sub region, and encourage collective self-reliance has not been realized. This is due to a number of factors; first a substantial number of nontariff barriers retard the intercommunity trade in the sub region. Second, the sub region has a low manufacturing capacity and the few industries at hand cannot maximally benefit from the raw materials being promoted by the ETLS. Most countries of ECOWAS are producers of raw materials largely agricultural, forestry and Oil which they do not process themselves but export in order to buy finished products. Third, protectionism tendencies still remain, which make the implementation of a common external tariff rather difficult and arbitrary.[54]

Another major challenge facing ECOWAS has been the inability of the sub region to take concrete steps required to harmonize checkpoints where unofficial fees were demanded, they do not receive receipts to prove payment later to their clients. In fact, the drivers reaffirm that, "Even when you have all the paperwork, it is not always taken into account." Laws are different from country to country and the fees are exceptionally high. There is really no free movement across West Africa.[47]

Another major problem that had been obstructing the efforts of these commissions in promoting cross-border trade in the sub-region has been the inability to take concrete steps required to harmonize its members' monetary policies and work towards a single currency. Apart from the

efforts made so far to establish ECOBANK to address the problem of divergent currencies in the sub region it still remains a mirage. In addition to this, contradictory policies between the francophone Union Economique et Monetaire Ouest Africaine Zone and the Anglophone West African Monetary Zone, especially as they relate to exchange rates, with the former preferring a pegged exchange regime, have not help in harmonization of monetary policy. Consequently cross-border trade in the sub-region has been consistently undermine due to the divergence in the monetary systems which is exacerbated by asymmetric national currencies as exemplified by the inconvertibility of Naira on one hand and the CFA Franc on the other hand. This make the attainment of microeconomic convergence very slow and the poor performance of sub-region economies makes realization of this objective a Herculean task.

It is therefore very clear that any effort to develop a common strategy towards promoting trade in the sub-region must first of all resolve the problem of currency differences in the sub-region. This is because the difficulties in monetary payment continue to undermine effective cross-border trade between them. The nature of the trade across the Nigeria's north-west border demonstrates this difficulty as will be shown in the subsequent sections. Even the Trade Liberalization Scheme, launched in 1990 has not been able to address the problem of payment difficulty and other barriers to trade in the region. In fact, the major aim of (ETLS) is to systematically reduce and eliminate tariff and other barriers in order to enhance free movement of goods. Article 35 of the Revised Treaty stipulates that, There shall be progressively established in the course of a period of ten (10) years effective from 1 January, 1990 ... a Customs Union, among the Member States. Within this union, Customs duties on or other charges Community originating imports shall be eliminated. It is over twenty years now and the Article is yet to be practicalized.

The informal structure of the trade is due to the inability of the concerned states to effectively harmonize and liberalize their trade policies as ratified in ECOWAS Trade Liberalization Scheme (ETLS). With regard

to Nigeria and Benin in particular, instead of pursuing mutual trans-border economic policies if not integration, the two neighbours, despite all the efforts put in place, pursue asymmetrical policies. This single factor has marred all the above potential advantages for the free flow of cross-border trade in the area. Consequently, traders' device other means through which they could by-pass the border officials and continue with their normal trading activities and in spite of tremendous effort of Nigeria to reduce the menace of smuggling through ETLS and Common External Tariff, smuggling continued in an alarming scale as discuss in the following section.

ECOWAS (ETLS) AND SMUGGLING INTO NIGERIA

In the West African trading zones (Nigeria, Benin, Niger and Chad) many goods are traded on daily bases through informal channels. Such goods include manufactured goods, packed-good items and rice, used and new clothing, shoes, drugs, vegetable oils, petroleum products, fertilizers and pesticides.48 The goods are involved in cross-border trade for the domestic markets or consumption requirements. They also appear in informal circuits because there are parallel distribution channels connecting different countries of the sub region. These goods are exported under the radar of state controls and are destined to be sold far from the border areas in other national markets, with Nigeria taking the lion share.

Despite the seemingly successive effort by Nigeria in the implementation of ETLS, it became clear that smuggling across its borders continued even in an alarming scale. The intensity especially along Nigeria-Benin and Nigeria-Niger border was such that by the year 2003 Nigeria reacted sharply by closing its border with Benin on 10th August of the same year.[49] This action took many businessmen unaware as quite a number of importers recorded huge losses while those engaged in smuggling into Nigeria recorded high profit. Consequent upon this, during their second summit in Cotonou, Benin republic, President Olusegun Obasanjo its member's monetary policies and work towards a single

currency. IMF and World Bank reports have shown that the progress in attaining macroeconomic convergence had been slow, and the poor performance of many of the sub regional economies makes realization of this objective a Herculean task. Furthermore, contradictory policies between the Fracphone Union Economique et Monetaire Owest Africaine Zone and the Anglophone west African monetary zone, especially as they relate to exchange rates, with the former preferring a pegged exchange regime, have not help in the harmonization of monetary policy (ECOWAS Commission, 2008; 63). Consequently, Nigeria has not been able to develop full confidence in the process of a West African monetary Union nor establish effective partnership necessary for its realization. The serious problem has to do with lack of political will among the leaders in the sub region. African governments in general and those in west Africa, are well known for their propensity of showing little inclination of implementing integration programs that have been painstakingly worked out and agreed. And as has always been the case lack of political will to pursue and/or execute painstakingly worked out and agreed, means it is the first sign that such lofty ideas are doomed.

The third major challenge for ECOWAS has been its inability to tackle poverty effectively and to promote human development in the sub region. According to the United Nations Development Programme Human Development Report in 2009, ECOWAS member states have some of the worst indices in the world, with Niger occupying the last position in the world followed by Sierra Leone, Mali, Burkina Faso, Guinea Bissau and Guinea. In fact, as has been lamented, the programme that impact on daily lives of citizens are so absent that one encounters more UN signpost on projects in the rural villages of ECOWAS states than those of ECOWAS itself. With the fast growing population of the region in which 45% of the population is estimated to be less than fifteen years, thereby putting West Africa as having the youngest population in the world, urgent efforts have to be put in place to cater for the growing population if peace and security is to be sustained in the sub region.

Whatever the challenges facing ECOWAS, the fundamental thing is the strategic importance of Nigeria to the West Africa and that the success of Nigeria holds the key to West African integration. There is however, certain impediments that could hamper the realization of Nigeria's full potential in the sub region vis-a-vis ECOWAS as shown in the paper. To address the problems, Nigeria has to consider the following: the importance of constitutional and democratic rule to enhancing the leadership role of Nigeria; second, the creation of socio-economic environment which is business friendly and people-centered; third, Nigeria must lead the way in the implementation of ECOWAS protocol on free movement of persons, goods, services and capital. In fact, as Ibn Chambers argued, the goal of achieving a borderless West Africa can only be realized if our peoples are able to freely move about in West Africa as our forefathers did before colonialism brought about existing boundaries.

Other challenges that also undermine the role of Nigeria in ECOWAS include economic stagnation and renewed French interests in the sub region as well as allegations of domination by Nigeria over its smaller neighbors. There is also the problem of poor leadership image of Nigeria which undermines the effectiveness of its role in ECOWAS.[55] Further challenges include the ineffectiveness of the country's vision of what it want in ECOWAS and West African project as a whole. Key issues in ECOWAS are left unattended and no subisting strategy exists to realize set goals and objectives. That is why majority of Nigerians are not much aware about the activities of ECOWAS. To sum it all, the future of ECOWAS lies with its ability to meaningfully and significantly address the enormous challenges facing the sub region and by extension its principal financier, Nigeria.

NOTES

1 A. O. Olukoshi, 'Structural Adjustment and Nigerian Industry' in A. O. Olukoshi (ed.), The Politics of Structural Adjustment in Nigeria , (Heinemann, London, 1993), 28.

2 A. O. Olukoshi, West Africa's Political Economy in the Next Millennium: Retrospect and Prospect , (Dakar CODESRIA, 2003), 4.

3 Meredith, M. The State of Africa: A History of the Continent Since Independence , (Simon & Schuster, London, 2005), 368.

4 A. Adedeji, "A Collective Self Reliance in Developing Africa: Scope, Prospects and Documents Problems" in A. B. Akiyemi, S. B. Falegan & I. A. Aluko, (eds.), Readings and on ECOWAS , (Lagos: Institute of International Affairs, 1984), xxiv.
5 Ibid.

6 J. Olagbaju and T. Falola, 'Economic Cooperation: The ECOWAS Example' in Ogunmumu, G. O. & E. K. Faluyi, (eds.), An Economic History of West Africa since 1750 (Ibadan, 1996), 199.

7 A.I. Asiwaju, Boundaries and African Integration: Essays in Comparative History and Policy Analysis . (Lagos: Panal Publishers, 2003), 50-51.

8 A. Adedeji, "A Collective Self Reliance ... 1984, 142

9 A. Bobboyi, 'Nigeria, ECOWAS, and the Promotion of Regional Integration in West Africa', in A. M. Jega, and J. W. Ferris, Nigeria at Fifty: Contribution to Peace, Democracy and Development , (Abuja: Shehu Musa Yar' Adua Foundation, 2010), 127.

10 ECOWAS Commission, 'Forging Regional Response to Global economic and financial Crises' 2008 Annual Report, (ECOWAS Commission, 2009), 24.

11 C. N. Nwoko, 'Nigeria & ECOWAS', in U. J. Ugwu, (ed.) New horizon for Nigeria in World Affairs , (Lagos: NIIA, 2005).

12 B. M. Barkindo, 'Belief in the ideals of ECOWAS with zeal whilst Implementing its Establishment Treaty with Apathy: Evaluating Nigeria's Paradoxical role in West African integration, 1975-2010', in B. M. Barkindo et al, (eds.), Nigeria at Fifty: Issues and Challenges in Governance, 1960-2010 , (Ibadan: Aboki Publishers, 2011), 357.

13 Olagbaju and Falola, 'Economic Cooperation', 219.

14 P. Robson, Economic Integration in Africa , (London: North-Western University Press, 1969), 31.

15 H. Bobboyi, 'Nigeria, ECOWAS, and the Promotion of Regional Integration in West Africa', in A. M. Jega, and J.W. Ferris, Nigeria at Fifty: Contribution to Peace, Democracy and Development , (Abuja: Shehu Musa Yar' Adua Foundation, 2010), 140.

16 B. Balassa, 'Types of economic integration', in Maclup (ed.), Economic Integration: World Wide, Regional, Sectorial , (London: Macmillan, 1976), 18.

17 Robson, Economic Integration in Africa , 18.

18 United Nations Conference on Trade and Development Handbook, 2008.

19 Adedeji, 'A Collective Self Reliance in Developing Africa', 92.

20 Olagbaju and Falola, 'Economic Cooperation', 218.

21 ECOWAS, "Vision 2010 and West African prosperity", Keynote Address by ECOWAS Executive Secretary in the Workshop on 'Vision 2010 and West Africa', (Abuja, 29-30 June 1997), 2.

22 Barkindo, 'Belief in the ideals of ECOWAS,' 372.

23 Y. Hashim & K. Meagher, 'Cross-border Trade and the Parallel Currency Market Trade and Finance in the Context of Structural Adjustment: A Case Study from Kano, Nigeria' (Research Report No. 113 , (Uppsala: Nordiska African Institute, 1999), 6.

24 O. Oculli, 'Cooperation and Integration in Africa: The Case of Informal Cross-border Trade', http://www.niai.uu.ss/fsork/preview.htmlm, accessed, 05-06-2009; P. Nugent & A. I. Asiwaju, 1996; K. Meagher, 'A back door to globalization?Structural Adjustment, globalization and Trans-border trade in West Africa', Review of African Political Economy , (Oxford, 2008).

25 Bobboyi, 'Nigeria, ECOWAS, and the Promotion,' 127.

26 ECOWAS Commission, 'Forging Regional Response, 24.

27 Federal Republic of Nigeria, FGN circular No. 001/2011; BD12237/SA/03/TI/221'Removal of some items from the import prohibition list (Abuja), 2011, 2.

28 Barkindo, 'Belief in the ideals of ECOWAS, 76.

29 Ibn Chambas, The ECOWAS Agenda: Promoting good governance, Stability and Sustainable Development , (NIIA, Lagos, Nigeria, 2005), 3.

30 Chambas, The ECOWAS Agenda , 3.

31 ECOWAS Secretariat, "ECOWAS and the ECOWAS Trade Liberalization Scheme", Keynote Address by Executive Secretary, Abbas Bundu on "Workshop on the ECOWAS Trade Liberalization Scheme", (Abuja, 1992).

32 Oculi, 'Cooperation and Integration in Africa', 3.

33 A.I. Asiwaju, 'Socio-economic integration of the West African sub-region in historical Context: Focus on the European Colonial Period', in A.B. Akiyemi et-al, (eds.), Readings and Documents on ECOWAS , (Lagos: NIIA, 1984), 31.

34 ECOWAS Treaty, (Lagos, Nigeria 1975).

35 D. H. Balami, "The Impact of Cross-Border Trade on Sub-Regional Cooperation and Integration," National Conference on Border Security, Cooperation and Integration', Ginyiga Hotel, Sokoto, 2003, 6.

36 Barkindo, 'Belief in the ideals of ECOWAS, 77.

37 Fieldnotes, Cotonou, 14th January, 2013.

38 Fieldnotes, Seme border, 18th - 20th January, 2013.

39 Fieldnotes, Kambla-Gaya-Mallamville, 17th July, 2012.

40 ECOWAS Commission, Regional Response ..., 73.

41 G. Yoroms, 'Trade relations and smuggling in Contraband Goods: Implications for Nigeria's security and Development', in Barkindo and Lepede (eds.), Human Trafficking and Economic Crimes Across Nigeria's International Borders , (Ibadan: Spectrum, 2007), 185.

42 Fieldnotes, Lagos-Cotonou-Lome-Accra border corridor, December, 17-22, 2014).

43 National Concord Newspaper , Wed. April 26, 2000,16.

44 Ibid.

45 ECOWAS Commission, Forging Regional Responses, 2009, 73.

46 The ECOWAS Trade Hub, "Challenges to regional integration identified: A project interview conducted in eight countries to analyze gaps in the implementation ECOWAS on the free movement of people, goods and transport", (January, 2010), 3.

47 The ECOWAS Trade Hub, 4.

48 Fieldnotes, 5th-10th December, 2014.

49 G. Yoroms, Trade relations and smuggling in Contraband Goods-Implications for Nigeria's security and Development, in Barkindo B. M. & Lepede, A. (eds.), Human Trafficking and Economic Crimes Across Nigeria's International Borders , (Ibadan: Spectrum, 2007), 196-7.

50 USAID, West Africa Trade Hub Technical Report , (No. 37, Dec. 2010), 5.

51 WTO Secretariat, Nigeria Trade Policy Review , 2005), 53.

52 This Day , EFCC sets up unit to assist customs, (http://www.thisdayonline.com/archive/20040419news12.html, 16th November 2004),5, accessed April 14, 2011.

53 ECOWAS Secretariat, "ECOWAS and The ECOWAS Trade Liberalization Scheme, 2.

54 ECOWAS Commission 2009, 73-78

55 C. N. Nwoke, Nigeria & ECOWAS , 138.